

MAY 1st, 1860.

REPORT

OF THE

BOARD OF MANAGERS

OF THE

LEHIGH COAL AND NAVIGATION COMPANY,

TO THE

STOCKHOLDERS.

MAY 1, 1860.

PHILADELPHIA:

JOHN C. CLARK & SON, PRINTERS, 230 DOCK STREET.

1860.



Lehigh Mortgage Loan, due March 1, 1861.

OFFICE OF THE LEHIGH COAL AND NAVIGATION COMPANY,
Philadelphia, May 3, 1860.

Holders of the Mortgage Loan of this Company, due 1st of March, 1861, who may desire to anticipate the time of maturity of said Loan, are invited to present their Certificates at this Office, and receive payment of principal and interest.

By order of the Board.

EDWIN WALTER,
Treasurer.



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1

At an election held May 1st, 1860, the following named persons were chosen officers of THE LEHIGH COAL AND NAVIGATION COMPANY, for the ensuing year:—

President.

JAMES COX.

Managers.

ERSKINE HAZARD,	ANDREW MANDERSON,
JOHN FARNUM,	JAMES S. COX,
HENRY J. BOLLER,	JACOB P. JONES,
RICHARD RICHARDSON,	FRANCIS C. YARNALL,
ALEXANDER FULLERTON,	SAMUEL E. STOKES.

Treasurer.

EDWIN WALTER.

EDWIN WALTER,

Secretary.

STOCKHOLDERS' MEETING,

MAY 1, 1860.

The Annual Report of the Board of Managers, with the usual accompanying documents, received at this meeting, having been read and approved, were ordered to be published in the usual form.

The following resolution was moved, seconded and adopted, by a *viva voce* vote, viz:

Resolved, That when this meeting adjourns, it adjourns to meet on the second Tuesday in June next, at 11 o'clock, A. M. to take a *Stock* vote on the following resolution, which has been moved and seconded, viz:

Resolved, That a committee of three Stockholders and four Managers (the President being one), be appointed and requested to report at the next Annual Meeting of Stockholders, such action as they may deem advisable, with a view to enable the Stock and Scrip holders to realize the full benefits earned by the Company.

The meeting then adjourned.

THOMAS EARP,

Chairman.

EDWIN WALTER,

Secretary.

REPORT.

THE Board of Managers, in the discharge of their duty to the Stockholders, respectfully submit their Report, as follows, for the year 1859.

All the necessary repairs to the Company's navigation were completed, and the water let into the Lower Section, extending from Mauch Chunk to Easton, on the 15th of March, and into the Upper Section, extending from Mauch Chunk to White Haven, on the 20th of the same month.

The Lehigh and Susquehanna Rail Road was ready for business on the 1st of April.

Every thing in connection with the mining of coal, and its transportation to the Company's landings at Mauch Chunk, was in readiness simultaneously with the opening of the navigation.

The new chutes erected by the Company at East Mauch Chunk for the transfer, to the canal, of coal from the rail road of the Beaver Meadow Company, were finished by the first day of March, and leased, upon satisfactory terms and conditions, to responsible parties engaged in the mining of coal in the second coal field.

Shipments of coal began on the 23d of March, and were continued, without any prolonged interruption, to the closing of the navigation by ice on the 10th of December.

For the year 1859, the shipments of coal were from the following points of delivery, and in the following quantities, viz :

<i>Shipped at Mauch Chunk—</i>		TONS.	TONS.
From the Company's Summit Mines,		402,030	
" " Room Run,		51,859	
" " East Lehigh,		36,651	
" " Tunnel No. 2,		71	
<i>Total from Mauch Chunk,</i>	-	-	490,611
<i>Shipped at East Mauch Chunk—</i>			
From the Spring Mountain Mines,	-	30,348	
" " Colerain,	-	21,450	
" " New York and Lehigh,	-	11,195	
" " German Pennsylvania,	-	45,290	
" " S. Spring Mountain,	-	996	
" " N. Spring Mountain,	-	31,609	
" " Beaver Meadow,	-	5,334	
Pea and Dust Coal,	-	-	4,185
<i>Total from East Mauch Chunk,</i>	-	-	150,407
<i>Shipped at Penn Haven—</i>			
From the Hazleton Mines,	-	-	153,343
" " Council Ridge,	-	36,191	
" " Mount Pleasant,	-	18,230	
" " E. Sugar Loaf,	-	28,435	
" " Harleigh,	-	-	192
<i>Total from Penn Haven.</i>	-	-	236,391
<i>Shipped at Rockport—</i>			
From the Buck Mountain Mines,	-	-	101,851
<i>Shipped at White Haven—</i>			
From the Franklin Coal Co.'s Mines,		25,255	
" " Hartford Co.'s,	-	18,832	
" " Audenreid,	-	26,415	
" " Stafford Brook,	-	322	
" " Hancock,	-	575	
<i>Total from White Haven.</i>	-	-	71,399
<i>Total shipments of coal on the Company's navigation,</i>			1,050,659

Showing an increase of 141,660 tons over the shipments for the year 1858.

The above increase is made up as follows, viz:

Increase of shipments from Mauch Chunk,	97,444
,, ,, ,, Penn Haven,	36,524
,, ,, ,, Rockport,	34,733
,, ,, ,, White Haven,	1,756
	<hr/>
Gross increase,	170,457
Less decrease in shipments from East Mauch Chunk, - - -	28,797
	<hr/>
Nett increase,	141,660

In addition to the above there were taken from the Company's mines at Tamaqua 56,205 tons.

The distribution of the coal was as follows:—

	Tons.
Consumed on the line of the Lehigh Canal,	188,779
Passed over into the Morris Canal at Easton,	255,404
Went into the Delaware Division Canal,	606,506

Of the coal that entered the Delaware Division Canal, 263,745 tons reached Bristol; 301,419 tons passed, by the outlet Lock at Wells' Falls, into the navigable feeder of the Delaware and Raritan Canal; leaving 41,342 tons as the quantity consumed on the line of the Delaware Division Canal.

The above figures, as compared with those of the preceding year, indicate a large increase in the deliveries on the line of the Lehigh Canal, and also of the through shipments *via* the Delaware Division and the Delaware and Raritan Canals, whilst they show a falling off in the deliveries on the line of the Delaware

Division, and also of the through trade, both by the way of Bristol, and by that of the Morris Canal.

Shipments of lumber, for the season, were 42,933,655 feet; showing an increase, over those for the year 1858, of 7,036,754 feet.

Freight of all descriptions for the year 1859, amounted to:

Descending,	-	-	1,190,374	03	tons.
Ascending,	-	-	116,744	12	"
Total,	-	-	1,307,118	15	

The various commodities transported over the Company's Navigation for the year 1859, were, in kind and quantity, as follows:

Freight Transported on the Lehigh Canal in 1859.

	DESCENDING.		ASCENDING.		TOTAL.	
	Tons.	Cwt.	Tons.	Cwt.	Tons.	Cwt.
Anthracite Coal,	-	-	1,052,182	17	56	00
Charcoal,	-	-	-	-	2	19
Grain,	-	-	48	16	754	14
Flour,	-	-	130	18	1,106	14
Salt,	-	-	-	-	984	01
Salt Fish, Beef and Pork,	-	-	-	-	266	12
Other Provisions,	-	-	2	00	218	14
Beer, Porter and Cider,	-	-	-	-	73	17
Whiskey,	-	-	791	14	90	03
Hay and Straw,	-	-	17	00	357	17
Staves, Hoop-poles, Posts and Rails,	270	13	-	-	23	03
Lumber,	-	-	71,558	19	1,279	03
Cordwood and Bark,	-	-	3,300	12	596	10
Brick,	-	-	600	09	1,329	18
Slate,	-	-	3,146	07	26	10
Lime and Limestone,	-	-	10,851	01	21,387	09
Other Stone, Plaster and Sand,	3,455	18	-	-	5,790	11
Iron,	-	-	41,487	08	2,304	08
Iron Ore,	-	-	1,450	19	77,892	02
Pitch, Tar and Rosin,	-	-	-	-	44	05
Merchandise,	-	-	1,078	12	2,159	02
	<hr/>		1,190,374	03	116,744	12
	<hr/>				1,307,118	15

The year 1859, like those which immediately preceded it, was, until towards the close of the season of canal navigation, one of depression, over production, intense competition, and low prices in the coal business.

In this condition of things, and under the pressure of circumstances adverse to the interests of the Company, it will not be less agreeable to the Stockholders to hear, than it is to the Board to be able to announce, that in the face of low prices for coal, and of reduced rates of toll, the policy adopted for the management of the Company's business during the past year, has not merely shown the ability of the region successfully to compete with other and rival regions for a fair share of the general market; but has resulted in a very handsome increase in the *nett* profits over those of the year 1858.

The profits for the year 1859, were, from ground and water rents, and from lots sold, \$31,610.71; from coal, \$186,609.04; and from tolls, \$454,463.45; amounting to a total of \$672,683.20, against \$595,856.94, for the preceding year; and showing an increase of \$76,826.26.

For the year 1859, after paying State tax, interest, repairs, improvements and expenses, the *nett* earnings were \$415,641.88, against \$343,864.50 for the year 1858; being equal to an interest of nearly 17 per cent. upon the Capital Stock, and exhibiting an improvement over the year 1858, of \$71,777.38.

Upon the first of January last the Contingent Fund was as follows:

Pennsylvania State Fives, - - -	\$400,000	00
Pennsylvania R. R., 2d Mortgage Bonds,	200,000	00
Lehigh Crane Iron Company's ,,	300,000	00
N. Pennsylvania R. R., 1st ,,	100,000	00
Lehigh Valley , 1st ,,	16,000	00
Delaware , 1st ,,	10,000	00
Lehigh Coal and Navigation Co's Sixes,	319,049	54
Amount,	\$1,345,049	54

Subsequently large additions were made to the Fund by the purchase of the Company's loans, and at this time (April 25, 1860) it foots up as follows:

Pennsylvania State Fives, - - -	\$400,000	00
Pennsylvania R. R., 2d Mortgage Bonds,	200,000	00
Lehigh Crane Iron Company's ,,	300,000	00
N. Pennsylvania R. R., 1st ,,	100,000	00
Lehigh Valley , 1st ,,	16,000	00
Delaware , 1st ,,	10,000	00
Lehigh Coal and Navigation Co's Sixes,	436,335	36
Amount,	\$1,462,335	36

The only increase in the Capital Stock during the year was to the extent of \$50, being the par value of one share issued in exchange for an equal amount of the Company's Convertible Mortgage Loan.

The reduction in the funded debt was \$50, as above stated.

The floating debt shows an increase of \$34,194.84; and the general indebtedness an increase of \$34,144.84.

At the close of the year 1859, the liabilities of the Company, including Capital Stock, funded debt and pecuniary obligations of every kind, and including also their own loans held in trust, and subject to the orders of the Board, were \$6,425,297.85.

Deducting the amount, \$319,049.54, of the Company's loans held in trust at that date, the sum total of the Company's liabilities was \$6,106,248.31.

The regular semi-annual dividends of 3 per cent. each, to which they are limited by the Deed of Trust, were declared as usual.

For a more detailed statement of the financial condition of the Company, upon the first day of the year 1860, reference is made to the Treasurer's accounts herewith submitted.

In the preparation of these statements it will be observed that the principle, adopted many years since, of permitting no increase of "construction account" is still adhered to, each year being charged with the expenses of that year.

Whilst the Managers have been solicitous to avoid all unnecessary expenditures, and to incur no expenses not imperatively demanded for the protection and the promotion of the Company's interests, yet many extensive repairs, alterations and improvements have been made during the past year, all designed to augment the efficiency of the Company's works, and to furnish increased facilities to the trade. These are particularly noted in the Engineer's Report, herewith submitted.

As regards the prospects for the present year, the improved state of manufacturing industry, the bareness of the markets, and the mitigation in some of the most active of the disturbing elements, which have, for several years, operated injuriously upon prices, warrant the expectation of a much more healthy condition of the trade than has obtained for two or three years past.

The production of coal from the Company's mines will be about the same as last year. The whole amount carried on the Company's Canal will probably exceed that of the past season by about 100,000 tons.

Prices are from 15 to 20 cents per ton better than the opening rates of the last year.

The canal was navigable on the 15th of March. Regular shipments of coal from Mauch Chunk did not begin until the 2d of April; from East Mauch Chunk and from Rockport a few days earlier, and from Penn Haven a day or two later; from White Haven they began on the 5th of April.

With a growing demand for coal, they are steadily increasing from week to week, and the trade will soon be quite active.

A large increase of the shipments at White Haven is promised from the Wyoming Valley, *via* the Company's Lehigh and Susquehanna Rail Road.

Since the last meeting of the Stockholders, the Managers have had to lament the decease of two of their number, Edward Yarnall and George Abbott. Their places in the Board were, under the requirements of the charter, supplied "by the Board of Managers until the next annual election," by the selection, from among the Stockholders, of Francis C. Yarnall and Samuel E. Stokes.

The Company were also, by the sudden decease of E. A. Douglas, deprived of the services of one who, for a very long term of years, had held the responsible position of Superintendent and Engineer.

The vacancy thus occasioned has been filled by the appointment of John Leisenring, a gentleman personally known to several members of the Board, and enjoying a well deserved reputation for intelligence, knowledge, experience and integrity.

By order of the Board of Managers,

April 25th, 1860.

JAMES COX,
President.

Profit and Loss Account of The Lehigh Coal and Navigation Company, for the Year 1859.

Amount of dividend declared May 24, 1859; 3 per cent. Do. do.	\$74,398 50 74,398 50	Balance to credit of Profit and Loss, Jan. 1, 1859, -	\$2,900,053 87
Balance carried down, - - - - -	- 148,797 00 - 2,751,256 87		
	<u>2,900,053 87</u>		
		Balance brought down, being remainder after dividends in 1859, - - - - -	2,751,256 87
State Tax for 1859, on Capital Stock, Interest account for the year 1859,	- - - 7,439 85 - - - 159,276 89	Water rents, ground rents, and gain by sale of town lots, in 1859, Profit on coal sold and delivered, including mine rents, in 1859, Tolls on navigation for 1859, less collec- tion expenses, - - - - -	31,610 71 186,609 04 454,463 45
Improvements and Repairs of the Navigation, Lehigh and Susquehanna Rail road,	57,330 90 32,993 68	<u>90,324 58</u>	<u>672,683 20</u>
	<u>257,041 32</u>		
Balance carried down to the credit of Profit and Loss, January 1, 1860, - - - - -	- 3,166,898 75		
	<u>\$3,423,940 07</u>		
		Balance brought down to the credit of Profit and Loss, January 1, 1860, - - - - -	\$3,166,898 75
13			
<i>Summary of the Earnings and Expenses of the Year 1859.</i>			
Earnings in 1859, as above stated,	- \$672,683 20		
Interest, repairs, &c., for the year 1859,	- 257,041 32		
Leaving amount of nett earnings for the year 1859,	<u>\$115,641 88</u>		

Comparative Indebtedness of The Lehigh Coal and Navigation Company, January 1, 1859, and January 1, 1860.

	Jan. 1, 1859.	Jan. 1, 1860.	Increase.	Decrease.
Mortgage Loan, - - - (due March 1, 1861.)	829,222 00	829,172 00	-	50 00
Common Loan, - - - (due March 1, 1870.)*	2,790,081 92	2,790,081 92	-	-
Total Funded Debt,	3,619,303 92	3,619,253 92	-	50 00
Floating Debt, - - -	231,531 49	265,822 85	34,291 36	-
Interest unpaid, - - -	53,716 40	54,513 88	797 48	-
Dividends unpaid, - - -	6,651 20	5,757 20	-	894 00
	3,911,203 01	3,945,347 85	35,088 84	944 00
	Increase of debt in 1859,			<u>\$34,144 84</u>
Increase of floating debt, &c.		34,194 84		
Decrease of funded debt,		50 00		
	<u>\$34,144 84</u>			

* The amount of Funded Debt on the 1st January, 1860, above stated, includes the sum of \$319,049.54, held by the Trustees of the Company, as a part of the Contingent Fund. Were this deducted, the actual amount of the Funded Debt would stand \$3,300,204.38.

CAPITAL STOCK.

The Capital Stock on the 1st of January, 1860, was 49,599 shares,
of \$50 each, - - - - - \$2,479,950

"Scrip for additional Shares of Stock."

There have been issued, as recommended by resolution passed at the meeting of the Stockholders held 1st May, 1855, certificates of "scrip shares," as follows, viz.

1855,	certificates for 9,905 "scrip shares," which, when converted into stock, will amount to	\$495,250
1856, do. 11,882	do. do.	594,100
1857, do. 14,273	do. do.	718,650

Making a total of 36,060 "scrip shares," which, when converted as aforesaid, will add to capital stock account, - - - - - \$1,803,000 and the like amount will then be chargeable against the balance standing to the credit of profit and loss.

* Except \$16,356.51, due at earlier dates.

Summary of the Liabilities and Assets of the Lehigh Coal and Navigation Company—Jan. 1, 1853, to Jan. 1, 1860.

LIABILITIES.	Jan. 1, 1853.	Jan. 1, 1854.	Jan. 1, 1855.	Jan. 1, 1856.	Jan. 1, 1857.	Jan. 1, 1858.	Jan. 1, 1859.	Jan. 1, 1860.
Capital Stock,								
Common Loans,	1,569,800 00	1,985,850 00	2,474,600 00	2,475,900 00	2,479,700 00	2,479,900 00	2,479,950 00	2,479,950 00
Mortgage Loan,	4,353,827 12	4,050,553 89	3,586,078 10	3,091,498 10	3,091,498 10	3,091,498 10	2,790,081 92	2,790,081 92
Floating Debt,	920,342 00	837,492 00	832,792 00	831,492 00	829,422 00	829,322 00	829,172 00	829,172 00
Unpaid Dividends,	361,933 10	332,049 10	373,150 21	316,494 81	322,512 24	286,202 14	231,531 49	265,822 85
Arrears of Interest,	3,823 70	3,503 95	4,215 70	4,364 90	4,307 20	7,299 70	6,651 20	5,757 20
	67,253 71	58,634 59	54,300 26	53,523 40	52,018 43	53,716 40	54,713 88	
	74,812 89							
	7,296,538 81	7,276,732 65	7,329,500 60	6,774,472 37	6,781,019 94	6,746,080 37	6,391,103 01	6,425,297 85
Balancé to the credit of Profit and Loss account,	907,395 25	1,164,672 36	1,689,954 66	2,252,686 24	2,548,963 30	2,704,983 37	2,900,053 87	3,166,898 75
	8,204,534 06	8,441,405 01	9,919,455 26	9,027,158 61	9,329,983 24	9,451,063 74	9,291,156 88	9,592,196 90
ASSETS.								
Canal and River Improvements,								
Lehigh and Susquehanna Rail-road,								
Real Estate, cost of coal mine lands and other lands, Rail roads to the several mines of the Company, and other improvements, Wharves and Landings at Philadelphia, &c.	4,455,000 00	4,455,000 00	4,455,000 00	4,455,000 00	4,455,000 00	4,455,000 00	4,455,000 00	4,455,000 00
	1,380,000 00	1,380,000 00	1,380,000 00	1,380,000 00	1,380,000 00	1,380,000 00	1,380,000 00	1,380,000 00
	1,307,876 55	1,280,998 17	1,281,901 46	1,331,927 01	1,406,654 23	1,428,970 94	1,453,272 91	1,453,789 00
	661,217 78	749,761 72	850,030 26	900,269 18	1,074,296 39	1,179,232 01	942,339 26	1,071,490 51
	351,709 90	500,148 39	995,366 97	906,126 58	965,066 58	957,191 03	983,139 78	1,210,253 67
	48,729 83	75,496 73	57,156 57	50,835 84	45,966 04	50,669 76	77,404 93	21,663 42
	8,204,534 06	8,441,405 01	9,919,455 26	9,027,158 61	9,329,983 24	9,451,063 74	9,291,156 88	9,592,196 90

ENGINEER'S REPORT.

Office of the Lehigh Coal and Navigation Company,
Mauch Chunk, Feb. 15th, 1860.

JAMES COX, Esq.

President Lehigh Coal and Nav. Co.

SIR,—The Annual Report of the Company's Superintendent and Engineer, usually made on the first of January, has in consequence of the decease of Mr. E. A. Douglas, late Superintendent and Engineer, been necessarily delayed until the present time, the appointment made by the Board of Managers to supply the vacancy occasioned by Mr. Douglas' death not having been made until a few days since.

The following report for the year 1859, is made up from information collected from the officers in charge of the various departments of the Company's service.

The repairs on the entire line of the navigation were completed, the water put into the Lower Section of the canal by the 15th, and the Upper Section on the 20th of March. The whole line was kept uninterruptedly open for business during the boating season, with the exception of about one week at the end of September, when navigation was mostly suspended by a flood in the Lehigh, which, although the highest experienced since 1850, passed off without doing any damage, worth mentioning, to the works.

The coal tonnage on the navigation amounted this year to 1,052,187 tons.

The expenditures upon the Lower Section during the past year were chiefly made upon renewals and ordinary repairs. The new work done is as follows, to wit:

1. A new dwelling house for Lock tenders use at Lock No. 46.
2. A new stable at South Easton.
3. A new cribbing to protect the abutment of Dam No. 8.

4. Dam No. 6, the towing path along pool No. 6, and the wharf at the Thomas Iron works, was raised one foot high, so as to obtain six feet depth of water in the navigation.

5. Lock No. 17 was raised by placing an additional foot of masonry upon the Lock walls.

The chamber of Lock No. 35 has become by the successive yearly action of frost so narrow at the top, as to cause considerable delay and trouble in passing boats; to remedy this difficulty it will be necessary to take down one side of the chamber wall of the Lock, and rebuild it; this can be done next fall after the close of navigation.

The road bridge at Walnut Port also needs rebuilding; with these exceptions no outlay will be requisite except for ordinary repairs.

The amount of expenditure on the Lower Section for renewals, new work, and ordinary repairs, is \$39,601.27; for new house at Lock No. 46, \$562.97; for land purchases, \$1420.

On the Upper Section of the navigation a new towing path bridge was built opposite the Company's chutes at this place.

A gravel catcher was constructed for Dam No. 11. The abutments have been built, and the materials obtained for the superstructure for a new towing path bridge to span the river at Stony creek.

It has been deemed necessary, on account of the pressing in of the sides, to take down one of the chamber walls of Lock No. 27, and rebuild the same; the materials for which have been provided and the work of taking down the walls commenced.

The descending navigation between Stoddartsville and White Haven is in good order; no expenditure will need to be made except for the usual clearing of the channels, and for repairing the wing walls after the spring freshets take place.

The amount expended on the Upper Section—

For new work, renewals and ordinary repairs, is	\$13,333.25
For repairs on the descending navigation,	- 325.04

The Lehigh and Susquehanna Rail Road was ready for use on the 25th of March. Cars loaded with coal commenced to pass over the road on the 7th of April.

One mile of track has been taken up and relaid with new rails of the T pattern, weighing 58 lbs. to the yard.

An additional mile of the main track has been taken up and re-laid with the old rail.

About a mile in length of new sidings has been made.

At Plane No. 3, one of the drums has been renewed entire, and wooden lagging substituted for iron upon the drums of all the Planes.

The safety car pits at the foot of Plane No. 1, have been filled up, the grading widened, and the improved arrangement of tracks and mode of attaching the loaded cars in use at Plane No. 3, adopted. Two new safety cars adapted to this arrangement have also been placed upon this Plane.

A gravitating rail road between Planes No. 1 and No. 2, for returning the empty cars, has been graded, and the track laid, together with the necessary switches and fixtures, and was brought into use the past season.

At White Haven a "Turbine" water wheel and fixtures have been put up for the purpose of furnishing power to drive the machinery in the Company's work-shops.

The prospects for an increased amount of coal tonnage over the road are at this time more cheering than they have been perhaps at any other time in the past history of the road.

Fifty new ten ton ears are now being built at White Haven, with a view to the accommodation of the probable increase of trade the ensuing year.

A new arrangement for doubling the capacity of the Planes without increasing the width of the grading and number of the tracks now upon the Planes, was planned by the late Superintendent and Engineer, with a view to its ultimate adoption (if, upon trial, it proved successful), at all the Planes; the work upon this plan is now being carried out at Plane No. 2. Its practicability will be tested the coming season.

There has been expended for new work, renewals and repairs on the Lehigh and Susquehanna Rail road the past year, \$33,876.29.

Land Improvements.

In accordance with the directions of the Board of Managers, four new coal chutes were constructed the past winter at the shipping port in East Mauch Chunk.

The fifth one is now in progress of erection at that place, for the use of the German Pennsylvania Coal Company. It will doubtless be ready in time for the opening of navigation.

A new store house was built at the lumber yard near Dam No. 1, Upper Section, and the one on the wharf at this place completed.

A new stable has also been erected upon Susquehanna street.

The following sums have been expended upon land improvements the past year, viz:

For new chutes at East Mauch Chunk, - - - -	\$13,168 05
For completing store houses at Mauch Chunk and at	
Dam No. 1, Upper Section, - - - -	1,286 91
For stables on Susquehanna street, - - - -	1,028 22

	\$15,483 18

Coal Improvements.

The chutes, screening and coal washing fixtures at Mauch Chunk, were all put in repair, ready for the opening of business in the spring.

T rails have been laid upon the grade of Chute No. 2, in place of the wooden track before in use.

An additional battery was built upon Chute No. 3, to give greater protection to the men working at that place.

The wood work in the stove and chestnut coal chute or pockets at this place is decayed so much as to require rebuilding; materials have been procured and the work commenced.

The machine and repair shops at Upper Mauch Chunk have been considerably enlarged, and several new and useful machines added. A new engine, boilers and boiler house erected, also a trip hammer for the purpose of working over the scrap iron into needed sizes.

It is proposed to prepare during the coming season, a suitable depot at the landings at this place, for depositing stove and chestnut coal, so as to avoid, for the future, the forwarding of coal to the seaboard, and other points along the line of canal, to be piled or stocked there at times when the market may be dull for these sizes of coal. With this exception no further outlay for next season's business is required upon this portion of the Company's works.

Descending Rail Roads from the Summit Mines to the Landings, and Back Track Rail Road.

About half a mile of new iron track, weighing 40 lbs. to the yard,

has been laid the past season upon the down track rail road in place of the wooden road.

A force is now at work improving the line of the back track rail road from this place to Summit Hill, and relaying it with T rail, instead of the flat rail heretofore used. The necessary iron and other materials have been procured, and the work is expected to be completed early in the spring.

The old or down track road from the Summit to this place will require the usual repairs during the season. The large amount of perishable materials used, makes this an expensive road to keep up. The relaying of this road, substituting a 40 lb. T rail for the wooden road now in use is suggested, believing that a large annual saving would thereby be realized in the diminished cost of repairs, as well as in the wear and tear of cars. The Inclined Planes and machinery connected with these roads are in good running order.

Panther Creek Rail Roads.

Upon these roads nothing has been expended during the year, except for ordinary repairs.

A rail road has been located, and is now being graded, from Slope No. 2, to intersect the road from Panther Creek Plane No. 2, to the foot of Panther Creek Plane No. 1, which is designed to carry the coal from that working by this route, to the stands at the Summit. This involves the necessity of increasing the power at the latter Plane. Measures have been taken to accomplish this by enlarging the engines, and strengthening the machinery. Materials were collected, and the engines, &c. ordered for this work soon after the close of the boating season of 1859; the work is now being actively pushed forward, and is expected to be ready for operation early in the spring.

Mines.

All the working tunnels and slopes at mines at Summit Hill, were in successful operation, and produced the past year an increased amount of coal.

Contracts have been made for sinking two new slopes (Nos. 4 and 5), one at Tunnel No. 5, and the other at Tunnel No. 8. Engines, boilers, and the necessary fixtures for hoisting out the coal were put up at Slope No. 4, during the past year, and the slope driven down a distance of $49\frac{1}{2}$ yards. Measures have been taken

to erect a coal breaker, with the necessary pockets and roads for this working, all of which will be completed the coming fall.

The work at Slope No. 5 has been temporarily suspended, with the view of making a change in the plan and location for the machinery; the work will be resumed at an early day.

The engines at Slope No. 3 not proving to be sufficient to do the required work, it was concluded to increase their power by putting in additional boilers and larger cylinders for the engines. This work was accordingly commenced early the present winter, and will doubtless be ready by opening of business in the spring.

In the month of February, 1859, a fire from some unknown cause broke out in the rubbish of an abandoned under ground working, near old Slope No. 1, which, in spite of all attempts to extinguish it, has made some headway since; fortunately its locality is confined to a portion of the mines already worked out, and, therefore, of not much value. Measures will shortly be taken to prevent the fire from extending to the working mines. It can doubtless be kept under control, and will be ultimately extinguished.

In view of the working out of the coal in reach of Slope No. 2 the present year, and of Tunnel No. 7, next year, it will be necessary, in order to keep up a full production of coal from the Company's mines, to make one or more new openings soon.

The following sums have been expended on the coal improvements during the past year:—

For repairs of descending Rail Road, Back Track, chutes and wharves at the landing,	-	-	\$44,988 36
For repairs of Panther Creek Rail Road,	-	-	8,280 98
For repairs of Old Tunnel Rail Road,	-	-	359 50
For Rock Tunnel at Room Run Mines,	-	-	4,036 67
For Slope No. 3,	-	-	11,944 07
For Slope No. 4,	-	-	12,287 62
For Slope No. 5,	-	-	609 36
For Trial Slope at Room Run,	-	-	5,723 36
For Car and Machine Shops at Upper Mauch Chunk,	-	-	5,030 00
			<hr/>
			\$92,399 92
			<hr/>

There was mined and sent to market from the Company's mines during the past year—

From the Panther Creek and Summit Mines,	Tons.	Cwt.
worked on Company's account, -	402,030	03
Tunnel No. 2, under lease, -	71	00
East Lehigh, ,, -	36,651	05
Room Run Mines, ,, -	51,859	06
Tamaqua Mines, ,, -	56,205	01
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	546,816	15
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All of which is respectfully submitted,

J. LEISENRING,
Sup't and Engineer.

SUPPLEMENTAL REPORT.

Office of the Lehigh Coal and Navigation Company.
Mauch Chunk, April 18, 1860.

JAMES COX, Esq.

President Lehigh Coal and Nav. Co.

SIR,—All the repairs having been completed, the water was let into the canals on both the Upper and Lower Sections, on the 10th, and were opened for business by the 15th ult. Shipments of coal were commenced on the 28th of March. The Lehigh and Susquehanna Rail Road was ready for business on the 20th ult. The first cars for the season loaded with coal passed over the road on the 4th inst. The relaying of the Back Track Rail Road, the new engines and machinery at Panther Creek Plane No. 1, and every thing connected with the coal work, was ready for operation on the 24th ult.

Shipments of coal from the Company's mines were commenced on the 2d inst.

The coal chutes at East Mauch Chunk were finished on the 15th of March, and leased to the German Pennsylvania Coal Company.

The new towing path bridge at Stony creek has been completed, and is now in use. The rebuilding of a portion of Lock No. 27, Upper Section, has been accomplished in time for the opening of navigation.

The rebuilding of the stove and chesnut coal pocket at this place was completed in time for the opening of the spring business.

Truly yours, &c.

J. LEISENRING,

Sup't and Engineer.

